

INTERIM DIVIDEND

The Directors do not recommend any interim dividend.

FINANCIAL REVIEW

As at 30th September 2004, the Group had total assets of HK\$33,892,000 which were financed by current liabilities, non-current liabilities and shareholders' equity of HK\$26,132,000, HK\$10,797,000 and HK\$3,036,574 respectively. The Group maintained stable working capital as at 30th September 2004

BUSINESS AND PROSPECTS

The Group's turnover dropped slightly as compared with the same period last year.

The occupancy rate of the Group's investment properties remained at satisfactory level. However, it was due to the huge supply of godown in the region and therefore, the rental per square feet has to stay at very competitive level.

The management believes that because of the implementation of reducing tax burden by the Central Government, the northeast provinces will provide an attractive investment environment. Under the circumstances, the Company has carried out a feasibility study to explore good investment opportunities in that area that will provide stable revenue and long term benefit to the Company.

DIRECTORS INTEREST IN SHARES

At 30th September, 2004, the interest of a director and his associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") of the Company was as follows:—

Name of director	Personal	Number of shares held		Others
		Family	Corporate	
Zhang Hongwei	—	—	481,691,250 (Note)	—

Note: The shares were beneficially owned by He Fu International Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Zhang Hongwei.

Save as disclosed above and other than certain nominee shares in the subsidiaries held in trust for the Group by an employee, none of the directors, the chief executives or their associates had any personal interest, family interests, corporate interests or other interests in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance as at 30th September, 2004.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2004, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following shareholders of the Company had an interest of 10 per cent or more of the issued share capital of the Company:

Number of shares

He Fu International Limited	481,691,250*	50.18%
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* *These shares are held by He Fu International Limited, and have been disclosed as the corporate interests of Mr. Zhang Hongwei in the section headed "DIRECTORS INTEREST IN SHARES".*

Save as disclosed above, the Company has not been notified of any other interests representing 10 per cent or more of the Company's issued share capital as at 30th September, 2004.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30th September, 2004 the Company and its subsidiaries have not purchased, sold or redeemed any listed securities of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim accounts for the six months ended 30th September, 2004.

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited.